

-Hall Pushed for Provision in Spending Bill to Allow MTA to Use Stimulus Funds for Operating Expenses-

-Measure Would Keep Tax from Hitting Small Businesses, Local Governments, Schools-Washington, DC

– Thanks to a provision that Congressman John Hall (D-Dover) helped insert in an upcoming spending bill, the Metropolitan Transit Authority (MTA) will be able to use \$110 million of its federal stimulus money for operating expenses. Previously, MTA was required to only use federal stimulus funds for capital improvements. Congressman Hall has asked MTA to use the funds now available to offset a new MTA payroll tax that created by the New York State Legislature that will soon go into effect.

"Our small businesses, local governments and even schools are about to be slammed by a massive MTA payroll tax," said Congressman Hall. "During these tough economic times the last thing Hudson Valley communities need is another tax. I've worked in Congress to allow MTA to use part of their stimulus dollars for operating expenses. I'm now asking the MTA to use these funds Congress is making available for operating expenses to end the unfair payroll tax on our community."

Hudson Valley counties are slated to pay almost \$90 million the following in the MTA payroll tax.

"The Hudson Valley is being disproportionately and unfairly hit by this tax," said Hall. "We need to take actions that will create jobs, not impose new taxes on payroll that will cut jobs."

Hall wrote a letter asking for the fiscal year 2009 Supplemental Appropriations Act to include a provision to allow public transit agencies to use up to 10 percent of their American Recovery and Reinvestment Act funds for operating costs. The final Supplemental Appropriations Act that Congress is set to consider contains the provision Hall fought for. New York's share of federal transit funding is \$1.22 billion. The measure Hall supports means that \$122 million will be available for operating expenses. MTA's share of that would be \$110 million, more than enough to end the payroll tax on Hudson Valley counties.